Help Shape the Future of Classification on Industries in Australia - Scope

The ABS is developing a roadmap for reviewing Australia's industry classification, recognising increasing stakeholder interest in seeing the Australian and New Zealand Standard Industrial Classification (ANZSIC) updated to reflect changes in the economy.

As the initial step, ABS is identifying and engaging with stakeholders to ensure an informed decision can be made about how Australia will move forward with a new industry classification.

To understand the need for a review, the ABS has undertaken a range of research and analysis, including:

- Analysis of feedback already received from individuals and organisations on ANZSIC use and issues through targeting stakeholder consultations
- Analysis of feedback received to date from ABS client queries, outlining limitations they have experienced with ANZSIC
- Comparison of ANZSIC with the International Standard Industrial Classification of All Economic Activities (ISIC) and other International Classifications like the Nomenclature of Economic Activities (NACE) and the North American Industrial Classification System (NAICS) to identify new and emerging industries.

The options at present for the industry classification are:

a. Replace ANZSIC with ISIC for the production of industry statistics and other uses of the current ANZSIC.
b. Modify ISIC to create a local (country/region) variant of the industry classification – this would provide an opportunity to customise the ISIC classification at the lower levels of the hierarchy or to add extra detail.
c. Review ANZSIC independent of ISIC. This would require a review of current ANZSIC to ensure that it better reflects the industry composition of the Australian economy. The future of a joint classification with New Zealand is currently being discussed.

ISIC is the internationally agreed industrial classification, providing guidance for developing regional industrial classifications such as ANZSIC, where they are required, to ensure regional statistics can be compared internationally. The underpinning concepts used in classifying business to an industry and similarities in the higher levels of both ISIC and ANZSIC suggest that ISIC could be a replacement for ANZISC.

ISIC is currently under review by the United Nations Statistical Division (UNSD) and is scheduled to be endorsed in March 2023 by the United Nations Statistical Commission (UNSC). The ABS as well as a range of other National Statistical Offices and international economic organisations, for example OECD, are participating in this review process to influence ISIC's development.

To make informed decisions on which the industry classification options will meet Australia's needs, the ABS is undertaking this public consultation to understand how the industry classification is used, whether the revised ISIC can meet these needs, understand the issues with the current ANZSIC and understand any barriers to implementing a revised or replaced industry classification.

Initial areas that have been identified as in-scope for shaping Australia's industry classification review roadmap are outlined below. In addition, the ABS invites you to provide feedback on any other key areas of concern that should be considered in developing the road-map for the future industry classification for Australia.

In-scope

1. **Stakeholder identification**
   Identification of organisations (i.e., stakeholders) who will be impacted by an industry classification change. Once identified, the ABS will keep stakeholders informed of our progress in making decisions on the future of Australia's industry classification. We will also keep stakeholders informed of developments in the review of ISIC.
2. **Information Collection / Research**
   Collection and analysis of information on how industry classifications are currently used by businesses or organisations, issues related to ANZSIC, barriers to implementing an updated industry classification, as well as stakeholder assessment of the revised ISIC as being fit for purpose. This will help to inform how the ABS moves forward with its future industry classification.
3. **Decision making**
   The revised ISIC is expected to be endorsed by a meeting of the United Nations Statistical Commission in March 2023. After this date, the ABS will be in a better position to consider information provided through this consultation with the likely impacts to official industry statistics of implementing the revised ISIC. This information will help the development of the roadmap for the future of Australia's industry classification.

Out of scope

The ABS acknowledges that the tasks outlined below will be important as we develop and implement the roadmap. They are not in scope for this consultation.

These include:

1. Completion of ISIC revision, which is the responsibility of the UNSD.
2. Developing and implementing a new industry classification for Australia. This will be addressed as part of the roadmap.
3. The tools required for implementation of revised industry classification in Australia (e.g. correspondence tables, information resources and coding tools)

For additional information, email the ABS at: standards@abs.gov.au